

**CANADIAN
CAR & FOUNDRY
COMPANY
LIMITED**

**FIFTEENTH
ANNUAL
REPORT
1924**

MONTREAL - CANADA

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CANADIAN CAR & FOUNDRY COMPANY, LIMITED

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BOARD OF DIRECTORS

W. F. ANGUS, MONTREAL	V. M. DRURY, MONTREAL
HON. C. P. BEAUBIEN, SENATOR, MONTREAL	ANDREW FLETCHER, NEW YORK
H. W. BEAUCLERK, MONTREAL	O. F. HARVEY, NEW YORK
W. W. BUTLER, MONTREAL	A. HICKS LAWRENCE, NEW YORK
HON. N. CURRY, SENATOR, MONTREAL	WM. MCMASTER, MONTREAL
F. H. CLERGUE, MONTREAL	HON. E. C. SMITH, ST. ALBANS, VT.
LEWIS L. CLARKE, NEW YORK	W. H. WOODIN, NEW YORK
	MARK WORKMAN, MONTREAL

♦ ♦

OFFICERS

HON. N. CURRY, *Chairman of the Board*

W. W. BUTLER, *President*

W. F. ANGUS, *Vice-President*

W. S. ATWOOD, *Vice-President*

A. D. NEALE, *Vice-President*

A. WHYTE, *Vice-President and*

A. C. BOURNE, *Secretary*

Treasurer

L. A. PETO, *Comptroller*

♦ ♦

SOLICITORS

DAVIDSON, WAINWRIGHT, ELDER & MCDUGALL, MONTREAL

♦ ♦

BANKERS

BANK OF MONTREAL

THE ROYAL BANK OF CANADA

THE AMERICAN EXCHANGE NATIONAL BANK, NEW YORK

♦ ♦

GENERAL OFFICES

307 CRAIG STREET WEST, MONTREAL

CANADIAN STEEL FOUNDRIES LIMITED

♦ ♦

BOARD OF DIRECTORS

HON. C. P. BEAUBIEN
W. F. ANGUS

W. W. BUTLER

H. W. BEAUCLERK
V. M. DRURY

OFFICERS

W. W. BUTLER, *President*

W. F. ANGUS, *Vice-President*

W. S. ATWOOD, *Vice-President*

A. D. NEALE, *Vice-President*

A. WHYTE, *Vice-President and Treasurer*

A. C. BOURNE, *Secretary*

L. A. PETO, *Comptroller*

♦ ♦

THE PRATT & LETCHWORTH COMPANY, LIMITED

BOARD OF DIRECTORS

HON. C. P. BEAUBIEN
W. F. ANGUS

W. W. BUTLER

H. W. BEAUCLERK
V. M. DRURY

OFFICERS

W. W. BUTLER, *President*

W. F. ANGUS, *Vice-President*

W. S. ATWOOD, *Vice-President*

A. D. NEALE, *Vice-President*

A. WHYTE, *Vice-President and Treasurer*

A. C. BOURNE, *Secretary*

L. A. PETO, *Comptroller*

♦ ♦

AGENCY OF

CANADIAN CAR & FOUNDRY COMPANY, LIMITED

DIRECTORS

HON. N. CURRY
LEWIS L. CLARKE

W. H. WOODIN

W. W. BUTLER
O. F. HARVEY

OFFICERS

HON. N. CURRY, *President*

W. W. BUTLER, *Vice-President*

A. C. BOURNE, *Secretary and Treasurer*

Canadian Car & Foundry Company, Limited and Canadian Steel Foundries, Limited and other Associated Companies

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CONSOLIDATED STATEMENT OF SURPLUS AND PROFITS, SEPTEMBER 30, 1924

□ □

Combined Profits for the Fiscal Year ending September 30, 1924 \$1,928,312.51

DEDUCT:

Provision for Depreciation.....	437,000.00	
Profit before charging Interest		\$1,491,312.51

DEDUCT:

Interest on Bonds Outstanding.....	\$387,823.55	
Interest on Negotiable Scrip.....	63,593.94	
	\$451,417.49	
Less: Interest Earned (Net).....	219,326.61	232,090.88
Profit for Fiscal Year		\$1,259,221.63

DEDUCT:

Provision for Income Tax and General Purposes.....	135,000.00	
Net Addition to Surplus.....	\$1,124,221.63	
SURPLUS at September 30, 1923	3,567,148.51	
		\$4,691,370.14

DEDUCT:

Dividends declared—10½% on Preference Stock.....	787,500.00	
SURPLUS carried forward September 30, 1924.....		\$3,903,870.14

CANADIAN CAR & FOUNDRY AND CANADIAN STEEL FOUNDRIES, LIMITED CONSOLIDATED BALANCE SHEET

ASSETS

COST OF PROPERTIES:

Real Estate, Buildings, Machinery, Patents and	
Goodwill, as at September 30, 1923	\$23,137,227.55
Addition during Fiscal Year—Net	66,230.06
	\$23,203,457.61

SCRIP REDEMPTION FUND INVESTMENT:

Balance of provision set aside annually for redemption of 6% Scrip (invested in Government Bonds)	188,155.25
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CURRENT ASSETS:

Inventories of manufactured and partly manu- factured product, materials and supplies at cost or less, and not in excess of present market prices	\$1,926,257.09
Accounts Receivable (Less Reserve)	932,917.80
Bonds and other Securities (below market values):	
Dominion of Canada Bonds ...	\$3,896,483.38
Companies' Own Bonds	455,198.99
Miscellaneous Investments	571,139.84
	4,922,822.21
Cash in Bank	348,680.18
	8,130,677.28
DEFERRED CHARGES	89,156.38

\$31,611,446.52

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have examined the Books and Accounts of the Canadian Car & Foundry Company, Limited, and its Subsidiary Companies, for the year ending September 30, 1924, and have obtained all the information and explanations which we required. And we certify that, in our opinion, the above Balance Sheet at September 30, 1924, is properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of the Canadian Car & Foundry Company, Limited, and its Subsidiary Companies, according to the best of our information and the explanations given to us, and as shown by the Books of the Companies.

MONTREAL, Nov. 20th, 1924

PRICE, WATERHOUSE & CO.,
Auditors.

RY COMPANY, LIMITED

ED AND OTHER ASSOCIATED COMPANIES

HEET SEPTEMBER 30, 1924

LIABILITIES

CAPITAL STOCK:

Preference: Seven Per Cent. cumulative and participating:		
Authorized and Issued—75,000 Shares of \$100 each		\$7,500,000.00
Ordinary:		
Authorized—50,000 Shares of \$100 each	\$5,000,000.00	
Issued — 49,750 Shares of \$100 each		4,975,000.00

BONDED DEBT:

Canadian Car & Foundry Company, Limited:	
First Mortgage Thirty-Year Six Per Cent. Sinking Fund Gold Bonds, due 1939 (Authorized \$7,500,000) ...	\$6,275,000.00
Less: Redeemed by Sinking Fund 2,139,441.99	
	<u>\$4,135,558.01</u>

Canadian Steel Foundries, Limited:

First Mortgage Collateral Trust Bonds Six Per Cent, due 1936 (Authorized \$5,000,- 000)	\$3,650,000.00	
Less: Bonds held in escrow by Montreal Trust Company towards redemption of Montreal Steel Works, Limited, Bonds	603,174.73	
	<u>\$3,046,825.27</u>	
Less: Retired by Sinking Fund.	1,438,294.65	
		1,608,530.62
First Mortgage Six Per Cent. Gold Bonds, due 1940, of the Montreal Steel Works, Limited	502,500.00	
		<u>6,246,588.63</u>
SEVEN YEAR SIX PER CENT. NEGOTIABLE SCRIP, DUE DECEMBER 24, 1927 (Less amount held in Treasury)		980,342.75

CURRENT LIABILITIES:

Accounts Payable and Payrolls	\$981,359.35	
Interest Accrued	116,734.39	
Dividend Payable October 10, 1924, 3½% on Pref. Shares	262,500.00	
		<u>1,360,593.74</u>

RESERVES:

Depreciation Reserves	\$5,702,454.67	
Special Reserve Fund	500,000.00	
Operating and Miscellaneous Reserves	442,596.59	
		<u>6,645,051.26</u>
SURPLUS, as per attached statement		3,903,870.14

\$31,611,446.52

NOTE—Arrears of Preference Share Dividends 5½%.

L. A. PETO,
Comptroller.

Approved on behalf of the Board:

FRANCIS H. CLERGUE, Director.
V. M. DRURY, Director.

FIFTEENTH ANNUAL REPORT

YEAR ENDED SEPTEMBER 30TH

1924

□ □

To the Shareholders:

Your Directors submit herewith the Fifteenth Annual Report of your Company and of its Subsidiary Companies, The Canadian Steel Foundries, Limited, and The Pratt & Letchworth Company, Limited, covering combined operations for the fiscal year ended September 30th, 1924.

The output of all Plants for the year amounted to \$20,426,876.86 as compared with \$20,689,638.95 for the preceding fiscal period, while the final net profit, after charging against operations the cost of Plant maintenance, depreciation, interest on outstanding bonds and negotiable scrip, and after providing for all contingencies, including Government Income Tax, amounted to \$1,124,221.63, in comparison with the net profit for the preceding period of \$1,427,573.60.

Surplus earnings brought forward from preceding years amounted to \$3,567,148.51, and after the addition of the profits for the period under review, as stated above, and the deduction of Preference Stock Dividends declared during the year, amounting to \$787,500.00, the surplus earnings carried forward to the ensuing year amounted to \$3,903,870.14.

Preference Stock dividends in arrear at September 30th, 1924, amounted to $5\frac{1}{4}\%$, and your Directors have authorized payment thereof January 10th, 1925, to shareholders of record as of December 26th, 1924.

The Balance Sheet discloses that the favorable liquid position referred to in the preceding report has been maintained despite the deduction of \$1,428,854.00 covering the redemption of bonds, negotiable scrip and the payment of Dividends on the Preference Stock. The surplus of Current Assets over Liabilities carried forward amounted to \$6,770,083.54, which includes Inventories of manufactured and partly manufactured product, materials, and supplies amounting to \$1,926,257.09. In this connection it is interesting to note that after the elimination of all materials necessary to complete existing business, the inventory remaining represented in quantity and value an amount lower than at any period in the history of the Company.

This reduction in Inventories was reflected in the Investment section, Government and other securities on hand at September 30th, 1924, being \$4,922,822.21 as compared with \$1,297,893.84 at the close of the preceding period, and the increased earnings from these securities has, to a considerable extent, offset bond and scrip

interest charges. The working capital proved adequate to finance the entire year's operations and at no period was it found necessary to negotiate any bank loans.

The value of unfilled business carried forward to the ensuing year amounted to \$1,262,407.64. Your Directors hope that business conditions will improve to the extent that the Canadian railways will find it desirable in the near future to place orders for additional equipment.

Close attention has been given during the year to the physical condition of the various Plants of the Company, and the expenditures incurred on improvements and upkeep have maintained your various properties in a very satisfactory condition.

Your Directors take this opportunity of thanking the officials and employees of the Company for their loyal co-operation throughout the year.

For the Directors,

W. W. BUTLER,

President.

November the Twentieth,

Nineteen hundred and Twenty-four.

